



# Perspectives on the Americas

A Series of Opinion Pieces by leading Commentators on the Region

## “Russia’s Second Wind in Latin America”

by

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In 2008 Russia generated many headlines by overtly angling for a big role in Latin America’s international politics.<sup>1</sup> Although Russian interest in Latin America seemingly waned after that, recent signs suggest Russia is gaining a second wind in Latin America. This new upsurge begins from that 2008 baseline. Although it utilizes the same instruments of arms sales and energy exploration, Moscow appears to have refocused its priorities without sacrificing its friends in Caracas and Havana. Thus, this new campaign validates President Dmitry Medvedev’s 2008 remarks that Russia was only *beginning* to upgrade its ties with Latin America, which he and other officials recognize as a growing presence in world affairs.<sup>2</sup> He further emphasized that Russia would undertake comprehensive and multidimensional relations with Latin America. So we should not expect a full Russian retreat from Latin America, even if its foreign policy retrenches. Instead, further advances and, to be frank, anti-American probes, should be expected.

Indeed, Russian policy is not driven by Latin America’s views, but by classical desires for profit and influence, mainly at the expense of the United States, and a visceral anti-Americanism. Analysts like Fedor Lukyanov, Vladimir Shlapentokh and Leonid Radzhikhovky all attest to the virtually obsessive anti-Americanism that drives much of

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Russian foreign policy.<sup>3</sup> Indeed, powerful people like Deputy Prime Minister Igor Sechin, Premier Vladimir Putin's right-hand man, apparently want to conduct a Latin American policy of anti-Americanism and destabilization regardless of the consequences. Sechin reportedly promoted economic deals and arms sales to Cuba, Venezuela and Nicaragua, and the formation among these three of an alliance as "Moscow considers the formation of such a union a worthy response to U.S. activity in the former Soviet Union and the placement of missile defenses in Poland and the Czech Republic."<sup>4</sup> Not surprisingly Sechin advised Putin that Moscow should upgrade its relations with these countries in particular, and with Latin America in general.<sup>5</sup>

As Deputy Prime Minister, Sechin appears to have encouraged Venezuelan president Hugo Chávez to develop a nuclear program and Sechin negotiated the transfer of nuclear technology and weapons to Venezuela. In July 2009 he arranged a deal with Cuba that allowed Russia to conduct deep-water drilling in the Gulf of Mexico.<sup>6</sup>

Whereas in the previous thrust into Latin America, Moscow focused primarily, though not exclusively, on reliable friends like Venezuela, Cuba and Nicaragua, to whom it either sold a lot of arms or gave considerable economic and energy assistance, today Moscow fully appreciates Brazil's dominant position in Latin America, has cemented bilateral and multilateral ties with it through the BRIC (Brazil, Russia, India and China) organization, and devotes its primary attention on Brazil, while not neglecting other targets of opportunity. Putin has called Brazil a strategic partner for Russia and cited bilateral cooperation in the energy sector, as well as in nuclear energy, space, metals, biotechnologies and telecommunications.<sup>7</sup> Beyond that, Russia has long sought entrée into Brazil's arms market and it continues to do so vigorously.

Whereas earlier Moscow wanted to show Washington that Moscow could play in Latin America too, now Moscow's broader primary objective is support for Russia's goal of a multipolar world that constrains U.S. power and forces Washington to heed Moscow's voice before acting. Thus Russia's new activity builds upon previous policy statements by leading officials. Foreign Minister Sergei Lavrov said that Latin America and Russia are natural partners, not because of Latin America's economic growth, but because of the congruence between Latin governments' foreign policies and Russia's support of a multipolar world.<sup>8</sup> Similarly Putin also stated that "Latin America is becoming a noticeable link in the chain of the multipolar world that is forming – we will pay more and more attention to this vector of our economic and foreign policy."<sup>9</sup>

As before, energy and arms sales are the main instruments of this foreign policy. The biggest recent deal concerns Brazil, not surprisingly, in view of the aforementioned "strategic partnership." In July, the Russian oil company TNK-BP bought 45% of the Petra Energia project in the Amazonian micro-region of Alto-Solimões for about \$1 billion. This project comprises 21 exploration blocks over an area of about 48,000 square kilometers in the Solimões river basin in the upper reaches of the Amazon, 11 of which are already being exploited.<sup>10</sup> Paraguay, the least-explored Latin American country for hydrocarbons, just sent a delegation to the Russian company Gazprom



which is interested in forming a joint venture with the Paraguayan state-run company Petropar, should it find reserves. Money is allegedly no object and Gazprom is ready to conduct all phases of the operation: exploration, exploitation, transport and commercialization. Gazprom has already established joint ventures (JVs) with Bolivia and Venezuela, and its Bolivian deal could possibly give it entrée into Brazil's electricity market.<sup>11</sup> Beyond existing deals, Gazprom is also eyeing a 20% stake in Bolivia's ACERO project and mulling "joint energy projects" with Peru.<sup>12</sup> More broadly in the economic sphere, Russia is one of the states with which Ecuador is currently negotiating for loans.<sup>13</sup>

Moscow is concurrently concluding arms deals across the region and recently identified Venezuela and Peru as particularly promising markets.<sup>14</sup> Rosoboroneksport (ROE), Russia's arms dealer, has consistently listed Latin America as a highly promising market for weapons. ROE claims (rather dubiously) that it offers customers a wide range of services connected with servicing and maintenance, spares, modernization of Soviet models, and perhaps most importantly, licensed manufacture of cutting-edge systems.<sup>15</sup> ROE claims that there are no restrictions on selling Venezuela submarines (that are ideal platforms for weapons and drug smuggling) if Caracas requests them.<sup>16</sup> Moscow is also about to sell Venezuela S-300V SAM missiles, since Venezuela presumably still believes the United States or some other country's air force will attack it, most likely in retaliation for its ongoing support of insurgents and narco-traffickers across the continent.<sup>17</sup> And the weapons bought in 2008-09 are now being distributed to Venezuelan military units (presumably some of them then go to groups such as the FARC), the Colombian guerrilla group.<sup>18</sup> Venezuela is building a plant to repair Russian-made helicopters which are allegedly popular for anti-narcotics use, a plant that will undoubtedly service many, if not all, of the Russian helicopters sold to Latin American governments.<sup>19</sup> Cuba, as well, may be ready to move from buying spare parts to buying new systems.<sup>20</sup> Meanwhile Peru has bought over \$130 million of weapons, including modern versions of Mi-17 helicopters, MiG-29 fighters and Kornet-E anti-tank missile systems in the past few years.<sup>21</sup> Meanwhile, Bolivia also is interested in Russian helicopters.<sup>22</sup>

But the biggest prize here, as in energy, is Brazil. Brazil is already receiving MI-35 helicopters.<sup>23</sup> But Moscow's key objective is winning the tender and contract for the Fifth Generation SU-35 multirole fighter. President Dmitry Medvedev has pushed hard for this because the winner will presumably obtain a contract to deliver 36 fighters, with an option of joint assembly of up to 84 aircraft in Brazil, spare parts, active-phased array antenna radars, short- and medium-range air-to-air missiles with active radar homing warheads, GPS-controlled bombs and technical support for several years. All this could be worth anywhere from \$6-12 billion.<sup>24</sup> Recognizing Brazil's growing power and wealth, ROE is offering joint technical-scientific research, repair, modernization and licensed production for a whole range of weapons going beyond fighters and helicopters to include missile-launching boats, frigates, multirole armored vehicles, anti-aircraft missile systems and launchers. This is accompanied by promises of a guarantee for the entire cycle of production, maintenance, repair and modernization of the SU-35



multirole fighter as part of a “vast technology transfer program,” far beyond anything being offered to other Latin American countries.<sup>25</sup>

## **Conclusion**

While China’s huge entry into Latin America deservedly receives more attention, clearly Russia intends to compete with the United States throughout Latin America. Moreover, one consequence of Russia’s deals may be to corrupt Latin American officials and governments while buying influence.<sup>26</sup> Even if Russia’s influence here is arguably minimal, some analysts argue that Washington should engage in dialogue with Moscow about its activities in the region to make clear the importance of issues such as Hugo Chávez’s subversive activities, and to gain a platform from which to counter Moscow in a dialogue about the former Soviet space.<sup>27</sup> Be that as it may, both Moscow and Beijing are seriously challenging our policies in Latin America. While we should not panic about Russia’s presence in the region, it is necessary that we maintain a vigorous U.S. security policy towards Latin America.

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## Notes

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